

Exhibit 2

2011

Form 1120S

Department of the Treasury
Internal Revenue Service

U.S. Income Tax Return for an S Corporation

COPY

- Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.
- See separate instructions.

For calendar year 2011 or tax year beginning

, 2011, ending

A	S election effective date 08/02/05	Name Diversified Global Sourcing Inc.	D	Employer identification number
B	Business activity code number (see instructions) 423800	Number, street, and room or suite no. If a P.O. box, see instructions. P.O. Box 11443	E	Date incorporated 08/02/05
C	Check if Sch M-3 attached □	City or town, state, and ZIP code Memphis TN 38111-0443	F	Total assets (see instructions) \$ 78,976

G Is the corporation electing to be an S corporation beginning with this tax year? Yes No If 'Yes,' attach Form 2553 if not already filedH Check if: (1) Final return (2) Name change (3) Address change
(4) Amended return (5) S election termination or revocation

I Enter the number of shareholders who were shareholders during any part of the tax year 1

Caution. Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.

I N C O M E	1a Merchant card and third-party payments. For 2011, enter 0-.	1a	0
	b Gross receipts or sales not reported on line 1a (see instructions)	1b	480,771
	c Total. Add lines 1a and 1b	1c	480,771
	d Returns and allowances plus any other adjustments (see instructions)	1d	
	e Subtract line 1d from line 1c	1e	480,771
	2 Cost of goods sold (attach Form 1125-A)	2	340,966
3 Gross profit. Subtract line 2 from line 1e	3	139,805	
4 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)	4		
5 Other income (loss) (see instructions - attach statement)	5		
6 Total income (loss). Add lines 3 through 5	6	139,805	
D E D U C T I O N S S E E I N S T R S	7 Compensation of officers	7	
	8 Salaries and wages (less employment credits)	8	
	9 Repairs and maintenance	9	
	10 Bad debts	10	
	11 Rents	11	
	12 Taxes and licenses	12	
	13 Interest	13	
	14 Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562)	14	3,060
	15 Depletion (Do not deduct oil and gas depletion)	15	
	16 Advertising	16	4,243
	17 Pension, profit-sharing, etc, plans	17	
	18 Employee benefit programs	18	
	19 Other deductions (attach statement) * STMT	19	114,750
	20 Total deductions. Add lines 7 through 19	20	122,053
	21 Ordinary business income (loss). Subtract line 20 from line 6	21	17,752
T A X A N D P A Y M E N T S	22a Excess net passive income or LIFO recapture tax (see instructions)	22a	
	b Tax from Schedule D (Form 1120S)	22b	
	c Add lines 22a and 22b (see instructions for additional taxes)	22c	
	23a 2011 estimated tax payments and 2010 overpayment credited to 2011	23a	
	b Tax deposited with Form 7004	23b	
	c Credit for federal tax paid on fuels (attach Form 4136)	23c	
	d Add lines 23a through 23c	23d	
24 Estimated tax penalty (see instructions). Check if Form 2220 is attached	24		
25 Amount owed. If line 23d is smaller than the total of lines 22c and 24, enter amount owed	25		
26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid	26		
27 Enter amount from line 26 Credited to 2012 estimated tax	27	Refunded	

Sign
Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

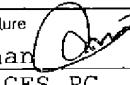
Signature of officer

Date

Title

May the IRS discuss this return with the preparer shown below (see instructions)?

 Yes No

Paid Preparer Use Only	Print/Type preparer's name S. Krishnan	Preparer's signature 	Date 3/13/12	Check <input type="checkbox"/> if self-employed	PTIN P00399909
	Firm's name ► ACCOUNTING & TAX SERVICES PC				Firm's EIN ► 80-0737186
	Firm's address ► 3340 POPLAR AVE STE 130 MEMPHIS				Phone no.

Schedule B Other Information (see instructions)**Yes** **No**

1 Check accounting method: a Cash b Accrual c Other (specify) ►

2 See the instructions and enter the:
a Business activity ► b Product or service ... ►

3 At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If 'Yes,' attach a statement showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) if 100% owned, was a qualified subchapter S subsidiary election made? * STMT. X

4 Has this corporation filed, or is it required to file, **Form 8918**, Material Advisor Disclosure Statement, to provide information on any reportable transaction? X

5 Check this box if the corporation issued publicly offered debt instruments with original issue discount. If checked, the corporation may have to file **Form 8281**, Information Return for Publicly Offered Original Issue Discount Instruments.

6 If the corporation: (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to the basis of the asset (or the basis of any other property) in the hands of a C corporation and (b) has net unrealized built-in gain in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years (see instructions) ► \$

7 Enter the accumulated earnings and profits of the corporation at the end of the tax year \$

8 Are the corporation's total receipts (see instructions) for the tax year and its total assets at the end of the tax year less than \$250,000? If 'Yes,' the corporation is not required to complete Schedules L and M-1. X

9 During the tax year, was a qualified subchapter S subsidiary election terminated or revoked? If 'Yes,' see instructions.

10a Did the corporation make any payments in 2011 that would require it to file Form(s) 1099 (see instructions)?

b If 'Yes,' did the corporation file or will it file all required Forms 1099?

Schedule K Shareholders' Pro Rata Share Items**Total amount**

1	17,752.
2	
3a	
3b	
3c	
4	
5a	
5b	
6	
7	
8a	
8b	
8c	
9	
10	

Form 1120S (2011)

Form 1120S (2011) Diversified Global Sourcing Inc

Shareholders' Pro Rata Share Items (continued)

Shareholders' Pro Rata Share Items (continued)		Total amount
Deductions	11 Section 179 deduction (attach Form 4562)	11
	12a Contributions	12a
	b Investment interest expense	12b
	c Section 59(e)(2) expenditures (1) Type ► (2) Amount ►	12c (2)
d Other deductions (see instructions) ... Type ►	12d	
Credits	13a Low-income housing credit (section 42(j)(5))	13a
	b Low-income housing credit (other)	13b
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	13c
	d Other rental real estate credits (see instrs) Type ►	13d
	e Other rental credits (see instrs) Type ►	13e
	f Alcohol and cellulosic biofuel fuels credit (attach Form 6478)	13f
	g Other credits (see instructions) ... Type ►	13g
	14a Name of country or U.S. possession	14a
b Gross income from all sources	14b	
c Gross income sourced at shareholder level Foreign gross income sourced at corporate level	14c	
d Passive category	14d	
e General category	14e	
f Other (attach statement) Deductions allocated and apportioned at shareholder level	14f	
g Interest expense	14g	
h Other Deductions allocated and apportioned at corporate level to foreign source income	14h	
i Passive category	14i	
j General category	14j	
k Other (attach statement) Other information	14k	
l Total foreign taxes (check one): ► <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	14l	
m Reduction in taxes available for credit (attach statement)	14m	
n Other foreign tax information (attach statement)	14n	
Alternative Minimum Tax (AMT) Items	15a Post-1986 depreciation adjustment	15a
	b Adjusted gain or loss	15b
	c Depletion (other than oil and gas)	15c
	d Oil, gas, and geothermal properties – gross income	15d
	e Oil, gas, and geothermal properties – deductions	15e
	f Other AMT items (attach statement)	15f
	16a Tax-exempt interest income	16a
b Other tax-exempt income	16b	
c Nondeductible expenses	16c	
d Distributions (attach strnt if required) (see instrs)	16d	
e Repayment of loans from shareholders	16e	
Items Affecting Shareholder Basis	17a Investment income	17a
	b Investment expenses	17b
	c Dividend distributions paid from accumulated earnings and profits	17c
	d Other items and amounts (attach statement)	17d
Reconciliation	18 Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and lines 14l	18
		17,752

Form 1120S (2011)

BAA

Form 1125-A

(December 2011)

Department of the Treasury
Internal Revenue Service

Cost of Goods Sold

OMB No. 1545-2225

► Attach to Form 1120, 1120-C, 1120-F, 1120-S, 1065, and 1065-B.

Name

Employer identification number

Diversified Global Sourcing Inc.

1	1
2	340,966.
3	
4	
5	
6	340,966.
7	
8	340,966.

8 Cost of goods sold. Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or the appropriate line of your tax return (see instructions)

9a Check all methods used for valuing closing inventory:

(i) Cost
 (ii) Lower of cost or market
 (iii) Other (Specify method used and att. expl.)

b Check if there was a writedown of subnormal goods



c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)



d If the LIFO inventory method was used for this tax year, enter amount of closing inventory computed under LIFO

9d

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation?

 Yes No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If 'Yes,' attach explanation

 Yes No

BAA For Paperwork Reduction Act Notice, see separate instructions.

Form 1125-A (12-2011)

**Schedule K-1
(Form 1120S)**

Department of the Treasury
Internal Revenue Service

For calendar year 2011, or tax
year beginning _____, 2011
ending _____.

**Shareholder's Share of Income, Deductions,
Credits, etc** ➤ See page 2 of form and separate instructions.

Part I Information About the Corporation

A Corporation's employer identification number

B Corporation's name, address, city, state, and ZIP code
Diversified Global Sourcing Inc.
P.O. Box 11443
Memphis, TN 38111-0443

C IRS Center where corporation filed return
Cincinnati, OH 45999-0013

Part II Information About the Shareholder

D Shareholder's identifying number

E Shareholder's name, address, city, state, and ZIP code
Shiv Kumar Seetharaman
16, Carol Avenue
Curlingame , CA 92010

F Shareholder's percentage of stock ownership for tax year 100.00000 %

FOR
FIRST
USE
ONLY

Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items	
1 Ordinary business income (loss)	13 Credits
	17,752.
2 Net rental real estate income (loss)	
3 Other net rental income (loss)	
4 Interest income	
5a Ordinary dividends	
5b Qualified dividends	14 Foreign transactions
6 Royalties	
7 Net short-term capital gain (loss)	
8a Net long-term capital gain (loss)	
8b Collectibles (28%) gain (loss)	
8c Unrecaptured section 1250 gain	
9 Net section 1231 gain (loss)	
10 Other income (loss)	15 Alternative minimum tax (AMT) items
	A 0.
11 Section 179 deduction	16 Items affecting shareholder basis
	C 960.
12 Other deductions	
	17 Other information

*See attached statement for additional information.

Schedule L Balance Sheets per Books	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
1 Cash				8,468.
2a Trade notes and accounts receivable				
b Less allowance for bad debts				
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities (see instructions)				
6 Other current assets (attach stmt)				
7 Loans to shareholders				
8 Mortgage and real estate loans				
9 Other investments (attach statement)				
10a Buildings and other depreciable assets			77,450.	
b Less accumulated depreciation			3,060.	74,390.
11a Depletable assets				
b Less accumulated depletion				
12 Land (net of any amortization)				
13a Intangible assets (amortizable only)				
b Less accumulated amortization				
14 Other assets (attach stmt)				
15 Total assets				82,858.
Liabilities and Shareholders' Equity				
16 Accounts payable				
17 Mortgages, notes, bonds payable in less than 1 year				
18 Other current liabilities (attach stmt)				
19 Loans from shareholders				65,000.
20 Mortgages, notes, bonds payable in 1 year or more				
21 Other liabilities (attach statement)				58,162.
22 Capital stock				1,000.
23 Additional paid-in capital				
24 Retained earnings		-58,096.		-41,304.
25 Adjustments to shareholders' equity (att stmt)				
26 Less cost of treasury stock				
27 Total liabilities and shareholders' equity				82,858.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Note. Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more — see instructions

1 Net income (loss) per books	16,792.	5 Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize): a Tax-exempt interest . \$ _____	
2 Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize):			
3 Expenses recorded on books this year not included on Schedule K, lines 1 through 12, and 14l (itemize): a Depreciation . \$ _____ b Travel and entertainment . \$ _____	960.	6 Deductions included on Schedule K, lines 1 through 12, and 14l, not charged against book income this year (itemize): a Depreciation . \$ _____	
4 Add lines 1 through 3	17,752.	7 Add lines 5 and 6	
		8 Income (loss) (Schedule K, ln 18). Ln 4 less ln 7	17,752.

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see instructions)

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undis- tributed taxable income previously taxed
1 Balance at beginning of tax year	-58,096.		
2 Ordinary income from page 1, line 21	17,752.		
3 Other additions			
4 Loss from page 1, line 21			
5 Other reductions	960.		
6 Combine lines 1 through 5	-41,304.		
7 Distributions other than dividend distributions			
8 Balance at end of tax year. Subtract line 7 from line 6	-41,304.		

Form 4562

Depreciation and Amortization
(Including Information on Listed Property)

OMB No. 1545-0172

2011

Attachment
Sequence No. 179Department of the Treasury
Internal Revenue Service (99)

► See separate instructions. ► Attach to your tax return.

Name(s) shown on return

Diversified Global Sourcing Inc.

Business or activity to which this form relates

Form 1120S Line 21

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	500,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,000,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	7 Listed property. Enter the amount from line 29	7	
8	8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	9 Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	10 Carryover of disallowed deduction from line 13 of your 2010 Form 4562	10	
11	11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs)	11	
12	12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	13 Carryover of disallowed deduction to 2012. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2011	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ► <input type="checkbox"/>		

Section B – Assets Placed in Service During 2011 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only — see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19 a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
i Nonresidential real property			27.5 yrs	MM	S/L	
			39 yrs	MM	S/L	
				MM	S/L	

Section C – Assets Placed in Service During 2011 Tax Year Using the Alternative Depreciation System

20 a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	3,060.
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations — see instructions	22	3,060.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Form 1120S, Page 1, Line 19

Other Deductions

Auto Expenses	3,301.
Travel	56,268.
Professional fees	425.
Contract Labor	42,760.
Telephone expense	2,359.
Misc.	2,493.
Meals and entertainment (50%)	961.
Supplies	2,864.
Postage	99.
Insurance	2,156.
Professional development	1,064.
Total	<u>114,750.</u>

Form 1120S, Page 2, Schedule B, Question 3

Ownership of Domestic Corporation

Name Shiv Kumar Seetharaman
Address 16 E Carool ave.
Address line 2 ..
City Curlingame State CA ZIP Code
Employer identification number (EIN)
Percentage owned
If 100% owned, was a QSub election made? Yes No

Form 1120S, Page 4, Schedule M-2, Line 5

Schedule M-2, Other Reductions

Meals and entertainment	960.
Total	<u>960.</u>

Diversified Global Sourcing Inc.

Schedule D – SCHEDULE OF CREDITS

1	Gross Premiums tax credit (cannot exceed Schedule C, Line 8)	1	
2	Tennessee Income Tax (cannot exceed Schedule B, Line 5)	2	
3	Green Energy Tax Credit/Carbon Charge Credit/Brownfield Property Credit/Relocation Expense Credits (attach schedule)	3	
4	Industrial Machinery Credit from Schedule T, Line 11	4	
5	Jobs Tax Credit from Schedule X, Line 16	5	
6	Jobs Tax Credit computed in accordance with T.C.A. Section 67-4-2109 (b)(2) from Schedule X, Line 21	6	
7	Total Credit – Add lines 1 through 6 (Enter here and on Schedule C, Line 9)	7	

Schedule E – SCHEDULE OF PAYMENTS

1	Overpayment from previous year if available	1	
2	First quarterly estimated payment	2	
3	Second quarterly estimated payment	3	
4	Third quarterly estimated payment	4	
5	Fourth quarterly estimated payment	5	
6	Extension payment	6	
7	Total payments – Add lines 1 through 6 (Enter here and on Schedule C, Line 11)	7	

COMPUTATION OF FRANCHISE TAX**Schedule F1 – NON-CONSOLIDATED NET WORTH**

1	Net Worth (total assets less total liabilities)	1	-40,304.
2	Indebtedness to or guaranteed by parent or affiliated corporation	2	
3	Total lines 1 and 2	3	-40,304.
4	Ratio (Schedules N, O, P, or R if applicable or 100%)	4	100.0000 %
5	Total – Line 3 multiplied by Line 4 (Enter here and on Schedule A, Line 1)	5	-40,304.

Schedule F2 – CONSOLIDATED NET WORTH

1	Consolidated Net Worth (total assets less total liabilities)	1	
2	Ratio (Schedule 170NC or 170SF)	2	%
3	Total – Line 1 multiplied by Line 2 (Enter here and on Schedule A, Line 1)	3	

NOTE: Schedule F2 is to be completed only if the consolidated net worth election has been made.

Schedule G – DETERMINATION OF REAL AND TANGIBLE PROPERTY

BOOK VALUE OF PROPERTY OWNED – Cost less accumulated depreciation		In Tennessee
1 Land	1	
2 Buildings, leaseholds, and improvements	2	
3 Machinery, equipment, furniture, and fixtures	3	
4 Automobiles and trucks	4	74,390.
5 Prepaid supplies and other tangible personal property (Attach schedule)	5	
6 Share of partnership real and tangible property provided that the partnership does not file a return (Attach schedule)	6	
7 Inventories and work in progress	7	
a Deduct exempt inventory in excess of \$30 million (Section 67-4-2108(a)(6)(B))	7a	
B Deduct value of certified pollution control equipment (include copy of certificate (Section 67-5-604)) and b equipment used to produce electricity at a Certified Green Energy Production Facility	8	
9 Deduct exempt required capital investments (T.C.A. Section 67-4-2108(a)(6)(G))	9	
10 SUBTOTAL – Add lines 1 through 7, less Line 7a through Line 9	10	74,390.

Rental Value of Property Used but not Owned	(A)	(B)	(C)
Net Annual Rental Paid for:			
11 Real property	xx8	11	
12 Machinery and equipment used in manufacturing and processing	xx3	12	
13 Furniture, office machinery, and equipment	xx2	13	
14 Delivery or mobile equipment	xx1	14	
15 TENNESSEE TOTAL – Add lines 10 - 14 (Enter total here and on Schedule A, Line 2)	15		74,390.

TAXABLE YEAR 12/31/11	TAXPAYER NAME Diversified Global Sourcing Inc.	ACCOUNT NO./FEIN/SSN [REDACTED]
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COMPUTATION OF EXCISE TAX**Schedule J-1 – COMPUTATION OF NET EARNINGS FOR ENTITIES TREATED AS PARTNERSHIPS**

1 Ordinary Income or Loss from Federal Form 1065, Line 22 plus any intangible expense to an affiliated business entity deducted for federal tax purposes	1
Additions:	
2 Additional income items specifically allocated to partners, including guaranteed payments to partners (Federal 1065 – Schedule K)	2
3 Any net loss or expense received from a 'pass-through' entity subject to the excise tax, or any net loss or expense distributed to a publicly traded REIT (include schedule of entities and FEINs)	3
4 Total – Add lines 1, 2, and 3	4
Deductions:	
5 Additional expense items specifically allocated to partners (Federal 1065 – Schedule K)	5
6 Amount subject to self-employment taxes distributable or paid to each partner or member net of medical insurance payments previously deducted to determine Ordinary Income (Loss) on Form 1065 (If negative, enter zero) (Include on Schedule K, Line 3)	6
7 Amount of contribution, not previously deducted, to qualified pension or benefit plans of any partner or member, including all JRC 401 plans (Include on Schedule K, Line 3)	7
8 Any net gain or income received from a 'pass-through' entity subject to the excise tax, or any net gain or income distributed to a publicly traded REIT (include schedule of entities and FEINs)	8
9 Total deductions – Add lines 5 through 8	9
10 Total – Line 4 less Line 9 (Enter here and on Schedule J, Line 1)	10

Schedule J-2 – COMPUTATION OF NET EARNINGS FOR A SINGLE MEMBER LLC FILING AS AN INDIVIDUAL

1 Business Income from Form 1040, Schedule C plus any intangible expense to an affiliated business entity	1
2 Business Income from Form 1040, Schedule D plus any intangible expense to an affiliated business entity	2
3 Business Income from Form 1040, Schedule E plus any intangible expense to an affiliated business entity	3
4 Business Income from Form 1040, Schedule F plus any intangible expense to an affiliated business entity	4
5 Business Income from Form 4797	5
6 Other: Form _____, Schedule _____	6
7 Any net loss or expense received from a 'pass-through' entity subject to the excise tax (include schedule of entities and FEINs)	7
8 Total – Add lines 1 through 7	8
Deductions:	
9 Amount subject to self-employment taxes distributable or paid to the single member (If negative, enter zero) (Include on Schedule K, Line 3)	9
10 Any net gain or income received from a 'pass-through' entity subject to the excise tax (include schedule of entities and FEINs)	10
11 Total deductions – Add lines 9 and 10	11
12 Total – Line 8 less Line 11 (Enter here and on Schedule J, Line 1)	12

Schedule J-3 – COMPUTATION OF NET EARNINGS FOR ENTITIES TREATED AS SUBCHAPTER S CORPORATIONS

1 Ordinary Income or Loss from Federal Form 1120S, Line 21 plus any intangible expense to an affiliated business entity deducted for federal tax purposes	1	17,752.
Additions:		
2 Income items to extent includable in federal income were it not for 'S' status election (Fed 1120S – Schedule K)	2	
3 Any net loss or expense received from a 'pass-through' entity subject to the excise tax, or any net loss or expense distributed to a publicly traded REIT (include schedule of entities and FEINs)	3	
4 Total – Add lines 1, 2 and 3	4	17,752.
Deductions:		
5 Expense items to extent includable in federal expenses were it not for 'S' status election (Fed 1120S – Schedule K)	5	
6 Any net gain or income received from a 'pass-through' entity subject to the excise tax, or any net gain or income distributed to a publicly traded REIT (include schedule of entities and FEINs)	6	
7 Total deductions – Add lines 5 and 6	7	
8 Total – Line 4 less Line 7 (Enter here and on Schedule J, Line 1)	8	17,752.

Schedule J-4 – COMPUTATION OF NET EARNINGS FOR ENTITIES TREATED AS CORPORATIONS AND 'OTHER' ENTITIES

Enter the amount of income (loss) from the applicable federal return to Schedule J, Line 1

1 Federal Form 1120 – Line 28 (Taxable income or loss before net operating loss deduction and special deductions) plus any intangible expense to an affiliated business entity deducted for federal tax purposes	1
2 Federal Form 990-T, Line 30 (unrelated business taxable income)	2
3 Other: Form _____, Schedule _____	3
Additions:	
4 Any net loss or expense received from a 'pass-through' entity subject to the excise tax, or any net loss or expense distributed to a publicly traded REIT (include schedule of entities and FEINs)	4
Deductions:	
5 Any net gain or income received from a 'pass-through' entity subject to the excise tax, or any net gain or income distributed to a publicly traded REIT (include schedule of entities and FEINs)	5
6 Total – Lines 1 through 4 less Line 5 (Enter here and on Schedule J, Line 1)	6

Schedule J – COMPUTATION OF NET EARNINGS SUBJECT TO EXCISE TAX

1	Federal income or loss (Enter amount from Schedule J-1, J-2, J-3, or J-4)	1	17,752.
ADDITIONS:			
2	Any depreciation under the provisions of IRC Section 168 not permitted for excise tax purposes due to Tennessee permanently decoupling from federal bonus depreciation and any expense/depreciation deducted as a result of 'safe harbor' lease elections. (attach schedule)	2	
3	Any deduction for domestic production activities under the provisions of IRC Section 199	3	
4	Any gain on the sale of an asset sold within twelve months after the date of distribution to a nontaxable entity	4	
5	Tennessee excise tax expense (to the extent reported for federal purposes)	5	
6	Gross premiums tax deducted in determining federal income and used as an excise tax credit	6	
7	Interest income on obligations of states and their political subdivisions, less allowable amortization	7	
8	Depletion not based on actual recovery of cost	8	
9	Contribution carryover from prior period(s)	9	
10	Capital gains offset by capital loss carryover or carryback	10	
11	Excess fair market value over book value of property donated	11	
12	Excess rent to/from an affiliate. A taxpayer paying excess rent enters a positive amount on this line. A taxpayer receiving excess rent, to the extent added back to net earnings by its affiliate, enters a negative amount on this line	12	
13	Total additions – Add lines 2 through 12	13	
DEDUCTIONS:			
14	Any depreciation under the provisions of IRC Section 168 permitted for excise tax purposes due to Tennessee permanently decoupling from federal bonus depreciation	14	
15	Any excess gain (or loss) from the basis adjustment resulting from Tennessee permanently decoupling from federal bonus depreciation	15	
16	Any loss on the sale of an asset sold within twelve months after the date of distribution to a nontaxable entity	16	
17	Dividends received from corporations, at least 80% owned (attach schedule)	17	
18	Contributions in excess of amount allowed by federal government	18	
19	Donations to Qualified Public School Support Groups and nonprofit organizations	19	
20	Portion of current year's capital loss not included in federal taxable income	20	
21	Any expense other than income taxes, not deducted in determining federal taxable income for which a credit against the federal income tax is allowable	21	
22	Any income included for federal tax purposes and any depreciation or other expense that could have been deducted for 'safe harbor' lease elections. (attach schedule)	22	
23	Nonbusiness earnings – Schedule M, Line 8	23	
24	Intangible expense to an affiliated business entity (Intangible expense disclosure form MUST be completed to avoid the adjustment provided in TCA Section 67-4-2006(c)(3))	24	
25	Intangible income from an affiliated business entity if the corresponding intangible expense has not been disclosed or has been disallowed	25	
26	TOTAL deductions – Add lines 14 through 25	26	
COMPUTATION OF TAXABLE INCOME:			
27	Total Business Income (Loss) – Add lines 1 and 13, less Line 26 (If loss, complete Schedule K)	27	17,752.
28	Apportionment Ratio (Schedules N, O, P, or R if applicable or 100%)	28	100.0000 %
29	Apportioned business income (Loss) (Line 27 multiplied by Line 28)	29	17,752.
30	Add: Nonbusiness earnings directly allocated to Tennessee (From Schedule M, Line 9)	30	
31	Deduct: Loss carryover from prior years (From Schedule U)	31	56,174.
32	Subject to excise tax (6 . 5 %) (Line 29 plus Line 30, less Line 31) (enter here and on Schedule B, Line 4)	32	-38,422.

Schedule K – DETERMINATION OF LOSS CARRYOVER AVAILABLE – See Rule 1320-6-1-.21 of Departmental Rules and Regulations

1	Net loss from Schedule J, Line 27	1	
ADD:			
2	Amounts reported on Schedule J, lines 17 and 23	2	
3	Amounts reported on Schedule J-1, lines 6 and 7, and Schedule J-2, Line 9	3	
4	Reduced loss – Add lines 1 through 3 (if net amount is positive, enter '0')	4	
5	Excise Tax ratio (Schedules N, O, P, or R if applicable or 100%)	5	%
6	Current year loss carryover available (Line 4 multiplied by Line 5)	6	

Schedule L – FEDERAL INCOME REVISIONS

Year	1 Original Net Income on Federal Return	2 Net Income Corrected	3 Increase (Decrease) in Net Income	4 Increase (Decrease) Affecting Excise Tax